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C O N F I D E N T I A L SECTION 01 OF 03 ROME 002299

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E.O. 12958: DECL: 05/22/2013

TAGS: PREL EU EU EU IT NATO ITPREL NATO ITPREL NATO SUBJECT: PDAS RIES CONSULTATIONS WITH GOI ON PRESIDENCY PRIORITIES

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REF: STATE 131918

CLASSIFIED BY: CHARGE EMIL SKODON. REASON: 1.5 (B)(D).

- 11. (C) SUMMARY: ON MAY 20, EUR PDAS RIES DISCUSSED A BROAD RANGE OF US-EU AND ITALIAN EU PRESIDENCY ISSUES DURING SEPARATE MEETINGS WITH MFA SYG GIUSEPPE BALDOCCI AND DIRECTOR FOR EUROPEAN INTEGRATION ROCCO CANGELOSI. BOTH BALDOCCI AND CANGELOSI STRESSED THAT THE GOI'S TOP PRIORITY FOR THE ITALIAN SEMESTER WAS PUTTING US-EU RELATIONS BACK ON A SOUND FOOTING. PDAS RIES SUGGESTED THAT THE JUNE 25 US-EU SUMMIT IN WASHINGTON WAS AN APPROPRIATE VENUE TO START THAT PROCESS AND SET THE STAGE FOR PRODUCTIVE AND POSITIVE USG RELATIONS WITH THE ITALIAN PRESIDENCY. POTENTIAL AREAS OF COOPERATION INCLUDED THE MEPP, IRAQ, NON-PROLIFERATION (DPRK AND IRAN), AND THE TRANSATLANTIC BUSINESS DIALOGUE. END SUMMARY.
- 12. (C) RIES WAS ACCOMPANIED BY THE DCM, POLMIN, AND POLOFF (NOTETAKER) TO BOTH THE OFFICE CALL ON BALDOCCI AND SUBSEQUENT WORKING LUNCH HOSTED BY CANGELOSI. ECMIN JOINED THE GROUP FOR THE LUNCH. BALDOCI HAD WITH HIM A NOTETAKER (READOUT OF DINNER WITH GOI TRADE/ECON OFFICIALS FOLLOWS SEPTEL; ESDP/EU STRATEGIC CONCEPT DISCUSSION ALSO REPORTED SEPTEL). WITH CANGELOSI WERE CLAUDIO BISOGNIERO (DEPUTY TO POLDIR ARAGONA), EU EXTERNAL RELATIONS OFFICE DIRECTOR MASSIMO GAIANI, AND WTO COORDINATOR FABIO FABRI. RIES BEGAN BY NOTING THAT DURING THIS PHASE OF HIS EU NEW-MEMBER "ROAD SHOW" WHICH PRECEDED HIS STOP IN ROME, HE HAD BEEN PLEASED TO DISCOVER THAT HIS INTERLOCUTORS WERE FAMILIAR WITH EU PROCEDURES AND THE COMPLEXITIES AND SUBTLETIES OF THE US-EU CONFIDENTIAL
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 RELATIONSHIP. IN RESPONSE TO BALDOCCI'S REQUEST FOR HIS
 VIEWS ON "NEW AND OLD" EUROPE, RIES SAID THAT THE DIVIDE WAS
 RATHER BETWEEN THOSE COUNTRIES WITH MINIMAL GROWTH AND THOSE
 WITH RELATIVELY HEALTHIER ECONOMIES AND PROSPECTS. FOR
 EXAMPLE, GERMANY AND FRANCE WERE UNDERSTANDABLY MORE
 PREOCCUPIED ABOUT THE ROLE OF THE US IN THE BROADER GLOBAL
 COMMUNITY THAN ITALY AND THE COUNTRIES OF CENTRAL EUROPE
 WHICH HAVE MORE ROBUST ECONOMIES AND MORE CONFIDENCE THAT THE
 EU CAN SUCCESSFULLY COMPETE WITH THE US.
- 13. (C) RIES AVERRED THAT THE US AND EU HAD "PASSED THE LOW WATER MARK" IN THEIR RELATIONS. BALDOCCI AGREED, AND SAID THAT THE BEST WAY TO IMPROVE TRANSATLANTIC RELATIONS WAS TO FOCUS ON AREAS OF COMMON INTEREST; THE BALKANS, MIDDLE EAST AND TERRORISM, FOR EXAMPLE, REPRESENT COMMON GROUND. BALDOCCI CITED THE CASABLANCA BOMBINGS AS A NEW DEVELOPMENT IN TERROR AND ANOTHER CLEAR REASON WHY EUROPE AND THE US MUST WORK TOGETHER ON COMMON GOALS.

MIDDLE EAST

- 4 (C) RIES ASKED BALDOCCI ABOUT THE EU VIEW THAT
 SENIOR-LEVEL DELEGATIONS SHOULD CALL ON BOTH ARAFAT AND PM
 ABU MAZEN EQUALLY. BALDOCCI RESPONDED THAT DURING A RECENT
 MEETING IN CAIRO, EGYPTIAN FM MAHER SAID THAT ARAFAT RETAINS
 SIGNIFICANT POLITICAL AND MORAL AUTHORITY AMONG PALESTINIANS,
 AND THAT IT WOULD BE A MISTAKE TO SHUNT HIM ASIDE. ABU MAZEN
 NEEDS THE PRESENCE OF ARAFAT AND HIS INFLUENCE. IT WOULD BE
 POSSIBLE, BALDOCCI AGREED, TO INTERACT ONLY WITH THE NEW PM
 AND FORGET ARAFAT, WHO REPRESENTS THE POLITICAL PAST. BUT
 BALDOCCI WONDERED IF THAT LOGIC, WHICH WORKS IN THE WEST
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- PAGE 04 ROME 02299 01 OF 03 2311112 (WHERE A FORMER PM OR PRESIDENT IS OUT OF POWER ABSOLUTELY), IS APPLICABLE TO THE MID EAST'S POLITICAL REALITY AND CULTURE. POLMIN OBSERVED THAT ABU MAZEN'S OFFICIAL POSITION WOULD ALWAYS BE THAT SENIOR OFFICIALS SHOULD MEET WITH ARAFAT, BUT THAT IS NOT NECESSARILY WHAT BEST SERVES OUR COMMON INTEREST IN PEACE.

UNSC RESOLUTION ON IRAQ

15. (C) RIES SAID THAT HE WAS HOPEFUL THAT MODIFICATIONS TO THE UNSC RESOLUTION ON IRAQ, (REFTEL; SHARED WITH THE GOI LATER THAT DAY) WOULD HELP ENSURE SWIFT PASSAGE THROUGH THE SECURITY COUNCIL. KEY CHANGES INCLUDED A MORE ROBUST ROLE FOR THE UN IN THE POLITICAL PROCESS AND ADMINISTRATION OF THE IRAQ DEVELOPMENT FUND. THE DOCUMENT REPRESENTED AN EFFORT BY

THE US TO REACH CONSENSUS ON A RESOLUTION. RIES HOPED FOR A SUCCESSFUL VOTE SOON, FOR POLITICAL (PRIOR TO THE EVIAN G-8) AND PRACTICAL (STORAGE FACILITIES AND REFINERIES WERE DROWNING IN THE HEAVY FUEL OIL BYPRODUCT OF GASOLINE REFINED FOR DOMESTIC IRAQI CONSUMPTION) REASONS. IF WE HAVE A RESOLUTION ON IRAQ, AND INCREASED STABILITY IN THE REGION, SAID RIES, THE JUNE US-EU SUMMIT CAN FOCUS ON OUR OTHER AREAS OF COMMON INTEREST, INTER ALIA: BALKANS, NON PROLIFERATION, AFGHANISTAN, NEGOTIATION OF OPEN SKIES AGREEMENT, HYDROGEN

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INFO LOG-00 NP-00 AID-00 ACQ-00 CIAE-00 INL-00 DODE-00 PERC-00 SRPP-00 DS-00 EAP-00 VC-00 TEDE-00 INR-00 VCE-00 AC-01 TO-00 L - 0.0DCP = 0.1NRRC-00 NSAE-00 OIC-02 PA-00 DHS-00 PRS-00 PM = 0.0ACE-00 P=0.0SS-00 TRSE-00 T-00 DSCC-00 PRM-00 DRL-01 SP-00 SSO-00 SCT-00 USIE-00 EPAE-00 SSD-00 PMB-00 G-00 NFAT-00 SAS-00 /005W SSR-00

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INFO EU CANDIDATE STATES COLLECTIVE PRIORITY
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EU MEMBER STATES COLLECTIVE PRIORITY
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NSC WASHDC PRIORITY
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AMCONSUL MILAN
AMCONSUL NAPLES

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ENERGY, COUNTERTERRORISM/MLAT NEGOTIATIONS, DATA PRIVACY. ON GALILEO, WE ARE GETTING CLOSE; NOT YET ON TECHNICAL DETAILS BUT ON A MORE GENERAL AGREEMENT ON SPECTRUM SEPARATION.

16. (C) RIES SAID AT BOTH MEETINGS THAT A NATO ROLE FOR IRAQ WAS NOT OUT OF THE QUESTION, BUT WHAT IS IMPORTANT NOW IS FOR THE RIGHT TYPE AND NUMBER OF FORCES TO BE IN PLACE AS THE IC RESTORES STABILITY. BISOGNIERO CONFIRMED THAT THE ITALIAN DEPLOYMENT TO THE UK ZONE IN SOUTHERN IRAQ WILL BEGIN IN JUNE, AND THAT THE MOD HAS HAD GOOD COMMUNICATION AND COORDINATION WITH BRITISH MILITARY OFFICIALS AND CENTCOM. RIES EXPRESSED GRATITUDE FOR THE CONTRIBUTION, NOTING THAT ITALIAN MILITARY AND SECURITY FORCES HAVE EARNED THE RESPECT OF US AND ALLIED NATIONS.

BALKANS

17. (C) RIES TOLD BALDOCCI THAT THE USG APPRECIATES THE GOI'S DESIRE TO REFOCUS EU ATTENTION ON THE BALKANS. REGARDING THE REPLACEMENT FOR UNMIK HEAD STEINER, WE WOULD LIKE A CANDIDATE FROM A NATO COUNTRY - HAD THE GOI CONSIDERED ITALY'S CURRENT AMBASSADOR IN DAMASCUS, LAURA MIRACHIAN? BALDOCCI SAID THAT BEFORE EVEN CONSIDERING HER NOMINATION HE WOULD NEED TO CONSULT WITH HER SINCE SHE HAD BEEN INVOLVED IN BALKANS ISSUES FOR A SIGNIFICANT PART OF HER CAREER, AND WANTED SOME DIVERSITY. ANOTHER COMPLICATION WAS THAT SHE WAS ALSO THE ITALIAN CANDIDATE TO BE THE EU'S MIDDLE EAST ENVOY. HE AGREED THOUGH THAT WE NEED TO THINK CAREFULLY, AND QUICKLY, ABOUT AN APPROPRIATE REPLACEMENT FOR STEINER.

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18. (C) RIES SAID THE USG SHARES ITALY'S CONCERNS ON ORGANIZED CRIME, TRAFFICKING IN HUMANS - PARTICULARLY WOMEN AND CHILDREN, AND PIFWCS. THE DCM NOTED THAT LAW ENFORCEMENT INITIATIVES, FOR EXAMPLE IN ALBANIA, WERE RIPE FOR EU-US COOPERATION, AND THAT WE COULD BUILD ON ONGOING PROGRAMS. RIES UNDERLINED THE USG CONCERN THAT IC ECONOMIC ASSISTANCE WAS DECLINING AT A TIME CRITICAL FOR BALKAN STABILITY DUE TO CROATIAN ASPIRATIONS TO REFORM AND JOIN TRANSATLANTIC INSTITUTIONS, REFUGEE RETURNS, AND SERBIA AND MONTENEGRO'S NEED FOR CONTINUED IC ASSISTANCE. BALDOCCI SAID HE AND FM FRATTINI AGREED THAT THE IC MUST KEEP FOCUSED ON THE BALKANS, AND WOULD USE THE PRESIDENCY'S PLATFORM TO HIGHLIGHT CRITICAL ISSUES. CANGELOSI LATER SAID OVER LUNCH

THAT THE GOI WILL URGE THE COMMISSION TO AUGMENT DOWNSIZED BALKAN RESOURCES BY ALLOWING THE WESTERN BALKAN 5 TO UTILIZE "PRE-ACCESSION" FUNDS.

DPRK

19. (C) IN RESPONSE TO A QUESTION FROM BALDOCCI ON PROGRESS WITH NORTH KOREA, RIES SAID THE USG'S OBJECTIVE IS TO GET REGIONAL POWERS INVOLVED IN KEEPING PRESSURE ON NORTH KOREA TO COMPLY WITH INTERNATIONAL NONPROLIFERATION AGREEMENTS. POLMIN POINTED OUT THAT A KEY FACTOR WAS RUSSIAN INVOLVEMENT AND INFLUENCE. FRATTINI AND RUSSIAN FM IVANOV HAD DISCUSSED DPRK EARLIER THIS MONTH; WE WOULD LIKE TO SEE RUSSIA MORE INVOLVED.

IRAN

110. (C) RIES RAISED USG CONCERN OVER IRAN'S ATTEMPTS TO CONFIDENTIAL

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AUGMENT ITS NUCLEAR FUEL ENRICHMENT FACILITIES. THE EU MUST
USE ITS LEVERAGE TO PUT PRESSURE ON IRAN TO SIGN THE IAEA

ADDITIONAL PROTOCOL. BALDOCCI SAID THAT FRATTINI HAD URGED

KHARAZI TO SIGN, AND THAT BALDOCCI HIMSELF HAD IMPRESSED UPON
THE IRANIAN AMBASSADOR IN ROME RECENTLY THE NECESSITY OF
IRAN'S SIGNING THE AGREEMENT. THE AMBASSADOR TOLD BALDOCCI
HE WAS AWARE OF THE IC'S VIEWS, BUT DOES NOT WANT IRAN TO BE
DISCRIMINATED AGAINST ON CIVILIAN USE OF NUCLEAR POWER. RIES
SUGGESTED THAT -- AT THE LEAST -- THE US AND EU OUGHT TO
REQUIRE THAT ANY COUNTRY DESIRING COOPERATION ON NUCLEAR
FACILITY DEVELOPMENT MUST AGREE TO AND SIGN THE IAEA
ADDITIONAL PROTOCOL.

EU-RUSSIA

111. (C) CANGELOSI WORRIED THAT RUSSIA MIGHT HAVE UNACHIEVABLE EXPECTATIONS FOR THE ST. PETERSBURG SUMMIT AND THE ITALIAN PRESIDENCY, SUCH AS A VISA FREE REGIME, COMPENSATION FOR ENLARGEMENT, AND NEW INSTITUTIONAL MECHANISMS FOR COOPERATION. HE PREDICTED THAT THE MOST LIKELY OUTCOME FROM THE MAY 31 SUMMIT WOULD BE A "NAME CHANGE" OF PRESENT MECHANISMS TO A "PERMANENT PARTNERSHIP." THE EU IS EXPLORING THE POSSIBILITY OF 25 1 MEETINGS ON SELECTED ISSUES, AND PM BERLUSCONI AND FM FRATTINI ARE

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	OIC-02	DHS-00	PA-00	PM-00	PRS-00	ACE-00	P-00
	SCT-00	SP-00	SSO-00	SS-00	TRSE-00	T-00	USIE-00
	EPAE-00	SSD-00	PMB-00	DSCC-00	PRM-00	DRL-01	G-00
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NSC WASHDC PRIORITY
AMCONSUL FLORENCE
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AMCONSUL NAPLES

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DETERMINED THAT THE ROME EU-RUSSIA SUMMIT WILL FORGE CLOSER LINKS BETWEEN MOSCOW AND BRUSSELS.

TABD

112. (C) CANGELOSI SAID THE GOI WAS GIVING THOUGHT TO USING THE TRANSATLANTIC BUSINESS DIALOGUE AS A VEHICLE FOR HELPING PUT TRANSATLANTIC RELATIONS BACK ON TRACK. WHAT DID RIES THINK? THE TABD IS STILL VALUABLE, BUT NEEDS REFORM, RIES RESPONDED. THE MAIN PROBLEM IS THAT IT HAS GROWN TOO LARGE;

THERE ARE TOO MANY INITIATIVES AND TOPICS; TOO MANY SMALL COMPANY OWNERS USING IT TO DRUM UP BUSINESS. THE USG'S PREFERENCE IS FOR A SMALLER TABD FOCUSED ON SPECIFIC ISSUES, WITH PARTICIPATION BY MAJOR CEOS. IT WOULD MEET ONLY IN CAPITALS TO ENSURE HIGH-LEVEL GOVERNMENT PARTICIPATION. THE SECRETARY OF COMMERCE WILL HOST A DINNER FOR SUCH BUSINESS

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LEADERS ON JUNE 24. RIES INVITED CANGELOSI TO NOMINATE APPROPRIATE ITALIAN BUSINESS LEADERS TO PARTICIPATE.

EU INSTITUTIONAL ISSUES

- 113. (C) CANGELOSI SAID THAT MODALITIES AND LOGISTICS FOR THE EU AT 25 WOULD BE A CHALLENGE FOR THE ITALIAN PRESIDENCY. ITALY WOULD WORK TO CONTROL THE NUMBER AND DURATION OF INTERVENTIONS; HE LAMENTED THE COUNCIL'S LOSS OF "INTIMACY" AT 25. CANGELOSI HOPED THAT THE IGC COULD START BY THE BEGINNING OF OCTOBER, AND THAT IT WAS STILL POSSIBLE TO COMPLETE DELIBERATIONS BY THE END OF THE ITALIAN PRESIDENCY. THIS WOULD ONLY BE POSSIBLE IF THE IGC LIMITED DISCUSSIONS TO "OPEN ITEMS" UNRESOLVED BY THE CONVENTION. THE PLAN THEN CONFIDENTIAL
- PAGE 03 ROME 02299 03 OF 03 231112Z WOULD BE TO FINALIZE THE DOCUMENT DURING THE IRISH PRESIDENCY, AND SIGN THE AGREEMENT IN ROME AFTER THE FORMAL ACCESSION OF NEW MEMBERS IN MAY; THE GOI ALSO WANTS ROMANIA, BULGARIA AND TURKEY TO PARTICIPATE IN THE PROCESS AS OBSERVERS.
- 114. (C) CANGELOSI PREDICTED THAT THE STRUCTURE OF THE EU COUNCIL PRESIDENCY WILL BE A COMPROMISE AGREED TO AT THE LAST MINUTE. IT WILL BE IMPORTANT TO HAVE A SPECIFIC JOB DESCRIPTION FOR THE COUNCIL PRESIDENT SO AS NOT TO INTERFERE WITH COMMISSION FUNCTIONS. A BALANCE ACCEPTABLE TO LARGE AND SMALL MEMBER STATES COULD BE A COUNCIL PRESIDENT TERM OF 2 1/2 YEARS, WITH A REDUCED NUMBER OF INDIVIDUAL COUNCILS THAT WOULD ROTATE LEADERSHIP FROM WITHIN CONSTITUENCIES (NORDIC, SOUTHERN, ETC.) DURING THE PRESIDENCY TERM.
- 115. (C) RIES NOTED THE INHERENT COMPLEXITIES OF SUCH A SYSTEM, AND ITS IMPLICATIONS FOR TRANSATLANTIC RELATIONS. EVERY TIME THE EU STREAMLINES, RIES NOTED, THERE ARE MORE EUROPEANS ACROSS THE TABLE FROM AMERICANS. CANGELOSI PROMISED THAT THE NEW STRUCTURE WOULD SIMPLIFY TRANSATLANTIC RELATIONS BECAUSE THE MAIN COUNCIL PRESIDENCY BUREAUCRACY WOULD REMAIN IN PLACE FOR 2 1/2 YEARS. RIES SAID THAT THE US WOULD, OF COURSE, WORK WITH THE INSTITUTIONAL STRUCTURE THE EU CHOSE FOR ITSELF. HE UNDERLINED THE IMPORTANCE OF US-EU COORDINATION "UPSTREAM," BEFORE POSITIONS HAD BEEN FORGED IN BRUSSELS AND BECOME VIRTUALLY UNCHANGEABLE.
- $\underline{\ }$ 16. (SBU) RIES PROMISED TO GET BACK TO CANGELOSI ON THE FOLLOWING PROPOSED MEETING DATES:
- 19 SEPTEMBER CANGELOSI AND POLDIR ARAGONA IN WASHINGTON CONFIDENTIAL

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- 17/18 JULY US/EU TASK FORCE ROME (CONTACT SANDRO DEBERNADIN)
- $\hbox{-}\ 21$ OCTOBER, 9TH NOVEMBER $\hbox{-}\ VIDEO$ TASK FORCE. CANGELOSI ACCEPTED THE DCM'S OFFER TO MAKE USE OF THE EMBASSY'S VIDEO FACILITIES, IF REQUIRED.
- 18 NOVEMBER SLG VIDEO CONFERENCE;

ON THE POSSIBILITY OF A MINISTERIAL 25 NOVEMBER, RIES POINTED OUT THAT DATE WAS DURING THANKSGIVING WEEK. THE SECRETARY WOULD LIKE TO HAVE ALTERNATIVE DATES TO CONSIDER, WHICH CANGELOSI PROMISED TO FORWARD.

 $\P 17$. (U) PDAS RIES DID NOT HAVE AN OPPORTUNITY TO CLEAR THIS CABLE BEFORE DEPARTING ROME.

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